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THE HON. SRI H. SITARAMA REDDI :—" The Government will welcome the applicants directly approaching the Director of Industries. There are a number of people who apply to us in spite of our instructions and the only course left to us is to forward such applications to the concerned party."

SRI R. SURYANARAYANA RAO :—" Are not the Government aware, Sir, that a communication from the Government carries a greater value with the distributing authority so naturally people come to the Government directly? "

THE HON. SRI H. SITARAMA REDDI :—" The officers have instructions that they should show no special favour because the application comes from a particular quarter."

ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" Is the Government aware, Sir, that large quantities of iron and steel were allotted to and were sent outside the city by T. V. Sundaram Ayyangar & Sons, in their lorries? "

THE HON. SRI H. SITARAMA REDDI :—" I shall enquire about the matter, Sir."

SRI N. VENKATACHALAMAJI :—" Is it necessary to submit a petition for getting iron and steel? "

THE HON. SRI H. SITARAMA REDDI :—" Sir, permits are granted on a petition only."

II.—GOVERNMENT BILLS.

(1) THE MADRAS ENTERTAINMENTS TAX (AMENDMENT) BILL, 1947 (L.A. BILL NO. 28 OF 1947).

* THE HON. SRI B. GOPALA REDDI :—" Sir, I move—

'*that the Madras Entertainments Tax (Amendment) Bill*, 1947 (*L.A. Bill No.* 28 *of* 1947), *as passed by the Assembly be taken into consideration at once.*'

" Sometime ago, Sir, the Government published a Bill where the tax on all entertainments was fixed at $33\frac{1}{3}$ per cent on the gross value of the ticket. Later the Select Committee that went into the question heard some representatives with regard to various matters and they have amended the original Bill and reduced the tax also in certain cases. For the first time we are making a distinction between other performances and dramas, music kutcheries, Indian dances and exhibitions. Previously, Sir, that Act did not make any distinction between cinematograph exhibitions and dramatic performances. They were all subject to the same level of taxation but for the first time the amending Act contemplates a preferential rate in the case of dramatic and music performances, Indian dances and exhibitions. It is well known, Sir, that Indian drama is being superseded, as it were, by the cinematograph exhibitions and it has not got the patronage from the people as it used to get previously. So the Select Committee thought it fit to levy a preferential rate for such performances, viz., 2 annas in the

* Printed as Appendix I on pages 114–115 infra.

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rupee on the gross value of the ticket up to Rs. 3 but if it is more than Rs. 3 but not more than Rs. 5, one-fifth of such payment and if it is more than Rs. 5, one-third of such payment. In the case of other entertainments, Sir, the tax will be if it is not more than 5 annas, one-fifth of such amount, i.e., 1 anna and if it is more than 5 annas and not more than Rs. 1–8–0, one-fourth of such payment, and so on. There is another principle, Sir, in the case of cinematograph exhibitions. The tax will be on the net value of the ticket whereas in the case of other entertainments including racing, sports, etc., the gross value will be taken into consideration when the tax is levied. As the members are aware 90 per cent of the proceeds arising out of this source of revenue will be distributed to the local authorities as the Corporation, municipalities, etc., where this tax is collected. So they get 90 per cent and the Government retains only 10 per cent for collection charges, etc. The local bodies can thus give greater facilities and conveniences to their people by way of better education, sanitation, etc., and I am sure the House will give its sanction for this Bill as amended by the Select Committee and as passed by the Legislative Assembly."

The motion was put and carried.

MR. PRESIDENT :—" I take it that there are no speakers."

Clause 2 was put and carried.

Clauses 3, 4, 5, 6 and 7 were put one by one and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRI B. GOPALA REDDI :—" Sir, in moving that the Bill be passed into law, I am very happy that there were no amendments to the Bill and even without a discussion it has reached this stage. I am very thankful to the hon. Members of this House."

SRI M. D. T. KUMARASWAMI MUDALIYAR :—" That shows their confidence in you."

THE HON. SRI B. GOPALA REDDI :—" That shows their interest in the local bodies."

The motion was carried and the Bill was passed into law.

(2) THE MADRAS GENERAL SALES TAX (AMENDMENT) BILL, 1947 (L.A. BILL NO. 25 OF 1947).

* THE HON. SRI B. GOPALA REDDI :—" I move—

'*that the Madras General Sales Tax* (*Amendment*) *Bill* [a], 1947 (*L.A. Bill No.* 25 *of* 1947), *as passed by the Assembly be taken into consideration at once.*'

" Sir, in November last, a Special Officer was appointed to go into the question of the working of the general sales tax as it was passed in 1939 and to suggest any improvements in the method of taxation, etc., and to withdraw some of the exemptions which were

a Printed as Appendix II on pages 116–124 infra.